

STATE GOVERNMENT

DISTRICT ATTORNEYS

Under current law, the state pays the salaries of and various benefits for district attorneys, deputy district attorneys and assistant district attorneys. This bill provides that two assistant district attorney positions (one each in Brown and Milwaukee counties) must be used exclusively to file and prosecute sexually violent person commitment petitions anywhere in this state.

STATE EMPLOYMENT

Under current law, with certain exceptions, positions in state government may only be authorized by law, by the legislature in budget determinations, by the joint committee on finance (JCF) and by the governor for certain positions funded from federal revenues. This bill authorizes the board of regents of the University of Wisconsin (UW) System to increase its authorized full-time equivalent positions that are funded, in whole or in part, with general purpose revenue by not more than 1% above the level authorized for the board. Under the bill, the board of regents must submit a proposal to the secretaries of administration and employment relations, together with its methodology for accounting for the cost of funding these positions. If the secretaries of administration and employment relations jointly approve the proposal, the positions are authorized.

Under current law, no individual, other than a state elective official, who is employed in a full-time position or capacity with any state agency or authority may hold any other position or be retained in any other capacity with any state agency or authority from which the individual receives more than \$12,000 during the same year. This bill exempts any member of the faculty or academic staff, other than a state elective official, who has a full-time appointment at an institution within the UW System and who holds any other position or is retained in any other capacity by a different institution within the UW System from the \$12,000 compensation restriction.

STATE FINANCE

Under current law, the state may issue revenue obligations for certain specified purposes. In general, a revenue obligation is an obligation that is: 1) incurred to purchase, acquire, lease, construct, improve, operate or manage a revenue-producing enterprise; and 2) repayable solely from, and secured solely by, the property or income from the revenue-producing enterprise. This bill allows revenue bonding in situations that are not allowed under current law. The bill creates two types of revenue obligations. The first type, called an enterprise obligation, includes all obligations authorized under current law but is broader in that it eliminates the requirement that the bond be repayable *solely* from, and be *solely* secured by, property or income from the revenue-producing enterprise.

The second type of revenue obligation, a special fund obligation, is an undertaking by the state to repay a certain amount of borrowed money that is

payable from a special fund consisting of fees, penalties or excise taxes. The bill authorizes not more than \$450,000,000 of this second type of revenue obligation bonding for the PECFA program. These revenue obligations are to be repaid from, and are secured by, the petroleum inspection fund. The bill expresses the legislature's expectation and aspiration that, if the legislature reduces the rate of the petroleum inspection fee and the fees in the fund prove insufficient to pay the principal and interest on the revenue obligations, the legislature will make an appropriation from the general fund sufficient to pay the principal and interest on the obligations.

Currently, the investment board may contract with outside investment advisers for the management of assets from any fund or trust under its control for investment in real estate, mortgages, equities, debt of foreign corporations and debt of foreign governments. No more than 15% of the total assets of the fixed retirement investment trust or 15% of the total assets of the variable retirement investment trust may be covered by such contracts. This bill increases the cap from 15% to 25% of such funds.


Under current law, the investment board may establish a bonus compensation plan for the executive director and other employees of the board who are appointed in the unclassified service of the state. Under the plan, these employees may qualify for an annual bonus for meritorious performance, which is required to be distributed over a three-year period. Current law provides that the total amount of bonuses awarded for any fiscal year may not exceed a total of 10% of the total annualized salaries of all unclassified employees of the board. In addition, no bonus awarded to an individual employee for any fiscal year may exceed a total of 25% of the annual salary of the employee. In awarding bonus compensation for a given period, the board must consider the performance of funds similar to those for which it has managing authority and market indices for the same period.

This bill authorizes the investment board to create two different bonus compensation plans for two different groups of employees. The first plan provides bonus compensation for the executive director, internal auditor, unclassified employees appointed by the internal auditor and other unclassified employees of the board who are not investment professionals, as determined by the secretary of administration. This plan is identical to the bonus compensation plan under current law except that the total amount of bonuses awarded for any fiscal year may not exceed a total of 10% of the total annualized salaries of these employees as compared to all unclassified employees of the board.

The second plan provides bonus compensation for unclassified employees of the investment board who are investment professionals, as determined by the secretary of administration. The plan provides that the total amount of bonuses awarded for any fiscal year may not exceed a total of 25% of the total annualized salaries of these employees. In addition, the plan provides that no bonus awarded to an individual employee for any fiscal year may exceed a total of 50% of the annual salary of the

employee. Under the plan, there is no requirement that the bonus compensation be paid out over a three-year period.

Under current law, the investment board must make all purchases of materials, supplies, equipment or services through the department of administration (DOA). DOA may delegate authority to the board and other state agencies to make purchases independently of DOA, but any agency to which DOA delegates purchasing authority must adhere to all statutory requirements that would apply if DOA made the purchases. In making purchases, DOA and the agencies to which DOA delegates purchasing authority are required, subject to numerous exceptions, to make purchases by solicitation of bids or competitive sealed proposals preceded by public notice, and to adhere to other requirements.

 This bill permits the investment board to make all purchases independently of DOA, and excludes the investment board from certain requirements that DOA and other executive branch agencies must adhere to in making purchases including the requirement for solicitation of bids or proposals preceded by public notice. Under the bill, the board must, however, procure all stationery and printing from the lowest responsible bidder.

Under current law, the secretary of administration must limit the total amount of any temporary reallocations from segregated funds to the general fund at any one time during a fiscal year to an amount equal to 5% of the total appropriations of general purpose revenue, calculated by the secretary as of that time and for that fiscal year. This bill authorizes the secretary of administration to permit an additional 3% of the total appropriations of general purpose revenue to be used for temporary reallocations to the general fund but only if the reallocation is for a period not to exceed 30 days.

Currently, all state agencies, except the legislature and the courts, must submit biennial budget requests to DOA no later than September 15 of each even-numbered year. This bill directs those agencies to submit biennial budget requests to DOA before each budget period no later than the date prescribed by DOA.

Current statutes provide that “[n]o bill directly or indirectly affecting general purpose revenues ... may be enacted by the legislature if the bill would cause the estimated general fund balance on June 30 of any fiscal year ... to be an amount equal to less than one percent of the total general purpose revenue appropriations for that fiscal year plus any amount from general purpose revenue designated as “Compensation Reserves” for that fiscal year”

This bill changes that provision, for fiscal years 2000–01 and thereafter, with respect to the percentage of the general fund balance as follows:

1. For fiscal year 2000–01, 1.1% of general purpose revenue (GPR) appropriations for that fiscal year.
2. For fiscal year 2001–02, 1.2% of GPR appropriations for that fiscal year.
3. For fiscal year 2002–03, 1.4% of GPR appropriations for that fiscal year.

4. For fiscal year 2003–04, 1.6% of GPR appropriations for that fiscal year.
5. For fiscal year 2004–05, 1.8% of GPR appropriations for that fiscal year.
6. For fiscal year 2005–06 and thereafter, 2% of GPR appropriations for that fiscal year.

Under current law, the board of commissioners of public lands (BCPL) is responsible for managing certain lands held in trust by the state. The proceeds from these lands are deposited in the common school fund, the normal school fund, the university fund and the agricultural college fund (collectively, the trust funds). Under current law, BCPL may deduct expenses necessarily incurred in caring for and selling the lands from moneys deposited in the trust funds. This bill provides that such expenses include soil surveys and soil mapping activities.

Under current law, BCPL may loan moneys from the trust funds ~~to~~^{to} certain local units to government. Current law also provides that any such borrower, after March 15 and prior to August 1 of any year, may prepay any part of the loan without penalty. This bill provides that, if a borrower prepays the outstanding principal balance of the loan before the due date of the first instalment payment, BCPL may charge the borrower a fee to cover any administrative costs incurred by BCPL in originating and servicing the loan.

Under current law, the governor may not administer, and no board, commission or department may encumber or expend, any block grant moneys received from the federal government under any federal law enacted after August 31, 1995, unless the governor first notifies JCF in writing that the block grant has been received and allows JCF an opportunity to review and approve or disapprove its proposed expenditure. This bill exempts from JCF review and approval the expenditure of block grant moneys that are allocated for certain public assistance and local assistance programs.

PUBLIC UTILITY REGULATION

This bill requires the public service commission (PSC) to conduct a study on implementing retail consumer choice for all consumers of electricity in this state. The study must address the following: 1) the infrastructure, taxation and statutory changes that are necessary for implementing retail choice; 2) recommendations for regulating new market entrants; 3) transitional, stranded and public benefits costs; and 4) the development and use of renewable energy resources.

Under current law, certain persons may file complaints with the PSC that allege a violation of the statutory provisions regarding public utilities. In addition, the PSC may, on its own motion, initiate a proceeding to determine whether such a violation has occurred.

This bill prohibits a person from filing a complaint, or making any other filing in a proceeding before the PSC, unless there is a nonfrivolous basis for doing so and unless each of the following is satisfied: 1) the filing is reasonably supported by

applicable law; 2) the allegations in the filing have evidentiary support or are likely to have such support after further investigation or discovery; 3) the filing is not intended to harass another party to the proceeding; and 4) the filing is not intended to create a needless increase in the cost of litigation.

Within 60 days after a complaint is filed, the PSC must determine whether the complaint violates the specified prohibitions. The bill also allows the PSC to determine at any time during a proceeding whether a person has made a filing that violates the prohibitions. If the PSC determines that there is a violation, the PSC must order the violator to pay the reasonable expenses that any other party to the proceeding incurred because of the filing. In addition, the PSC may directly assess a forfeiture of between \$25 and \$5,000 against the violator.

This bill allows the PSC to approve a tariff filed by an electric public utility that allows a firm customer of the utility (an industrial or commercial customer of the utility that receives firm service, which is retail electric service that is provided on a noninterruptible basis) to sell unused firm service to an interruptible customer of the utility, which is an industrial or commercial customer of the utility that receives retail electric service on an interruptible basis. The PSC may approve such a tariff if it determines that such sales contribute to energy conservation and load management that are designed to reduce the energy needs of firm customers. If a firm customer contracts with an interruptible customer for such a sale under a tariff approved under the bill, the public utility must replace the firm service that is sold by the firm customer with interruptible service, and provide firm service to the interruptible customer in an amount that is equal to 80% of the amount of firm service that was sold.

Under current law, the PSC may, under certain circumstances, obtain from any public utility any information necessary for the PSC to perform its duties and may order a public utility to produce certain records. Under this bill, the PSC may require a telecommunications utility to submit information only if the PSC reduces, to the extent practicable, any burden on the telecommunications utility that results from complying with the requirement. In addition, a telecommunications utility is not required to provide information to the PSC unless the PSC certifies that the information is necessary for the PSC to enforce a statutory requirement and that the information is not unnecessarily duplicative of information that is already in the PSC's possession.

Also under current law, the PSC is allowed to withhold from public inspection any information that aids a competitor of a public utility. Under this bill, the PSC is required to withhold such information from public inspection. Under the bill, the PSC is also required to withhold from public inspection any information that is designated as confidential by a public utility that may aid a competitor of the public utility.

Under current law, a tariff filed with the PSC in which a telecommunications utility offers either a new telecommunications service or promotional rates may not

take effect until ten days after the tariff is filed. Under certain specified circumstances, the PSC may also suspend the effectiveness of such a tariff. This bill provides that such a tariff is effective on the date specified in the tariff, unless the PSC suspends the effectiveness of the tariff as allowed under current law.

OTHER STATE GOVERNMENT

State building program

This bill enumerates in the 1999–2001 state building program a full-scale aquaculture demonstration facility to be built at Ashland and to be operated by the board of regents of the UW System.

Wisconsin election campaign fund supplement

Currently, a candidate for legislative office at the general election or a special election may qualify to receive a grant from the Wisconsin election campaign fund to finance certain campaign expenses. The maximum amount of the grant that is available to such a candidate may be reduced if the balance in the legislative and special election campaign account does not contain sufficient money to provide all eligible candidates who apply and qualify for grants with the maximum grants to which the candidates are entitled. The amount of money in the legislative and special election campaign account and the other accounts of the Wisconsin election campaign fund depends in part upon the number of designations made to the fund by individuals filing income tax returns.

This bill transfers \$750,000 in general purpose revenue into the legislative and special election campaign account in fiscal year 2000–01. The bill also directs the secretary of administration to submit proposed legislation relating to campaign finance reform and composition of the elections board to the cochairpersons of JCF no later than April 1, 1999.

State land information system

Currently, DOA may develop and maintain a geographic information system relating to land in this state. Currently, the land information board directs and supervises the state land information program. The board is abolished effective September 1, 2003. Prior to September 1, 2003, counties must transfer to the land information board a portion of the fees collected by registers of deeds for recording documents. Revenue from these fees supports the operation of the board and the remainder is used to provide grants to counties for land records modernization projects.

This bill directs the land information board to transfer a portion of this fee revenue, prior to September 1, 2003, to DOA for the purpose of developing and maintaining a computer-based Wisconsin land information system, without direction or supervision from the board. Under the bill, DOA continues to be responsible for the development and maintenance of the system on and after September 1, 2003, but the bill provides no specific funding for this purpose.

The bill also authorizes DOA to conduct soil surveys and soil mapping activities. Under the bill, DOA may assess any state agency any amount that it determines to be required to conduct the surveys and mapping activities. In addition, the bill permits DOA to contract with BCPL to conduct soil surveys and soil mapping activities on lands under the jurisdiction of BCPL.

State grants for local governmental planning

This bill permits DOA to award grants to counties, cities, villages, towns and regional planning commissions to finance the cost of planning activities, including contracting for planning consultant services, public planning sessions and other planning outreach and educational activities, or to purchase computerized planning data, planning software or the hardware required to utilize that data or software. The grants are funded by federal moneys provided to this state for transportation-related planning activities. DOA must require any local governmental unit that receives a grant to finance at least 20% of the cost of the product or service to be funded by that grant from its own resources. All proposed expenditures to be made under any grant are subject to the written approval of the secretary of transportation.

National and community service board functions

Under current law, the national and community service board, attached to DOA, uses federal moneys and moneys that it receives from gifts, grants and bequests to assist persons who operate service programs that address unmet human, educational, environmental or public safety needs. Under this bill, the board is attached to the department of health and family services.

Currently, the national and community service board awards Wisconsin promise challenge grants to countywide consortia of public and private entities that provide resources to underserved youth. This program expires on January 1, 2000. The bill transfers administration of this program to DOA.

Penalty assessments

With certain exceptions, current law imposes a penalty assessment on any person who is ordered to pay a fine or forfeiture for violating a state law or a local ordinance. The penalty assessment is set at 23% of the total amount of the fines or forfeitures imposed for the violation. The moneys collected from penalty assessments are credited directly to various appropriation accounts based on a statutory formula and the appropriation accounts specify the purposes for which the moneys may be used. These purposes include: 1) training for local law enforcement officers and state correctional officers; 2) purchase of crime laboratory equipment; 3) matching federal funds provided for various law enforcement programs; 4) county-tribal law enforcement projects; 5) diversion of youth from gang activities; and 6) alcohol and other drug abuse prevention and treatment for minors.

This bill provides that, instead of being credited to specific appropriation accounts based on a statutory formula, all moneys collected from penalty assessments are credited to a single appropriation account in the office of justice

assistance in DOA. Specified amounts of the moneys in this appropriation account are then transferred to other appropriation accounts to be used for the same purposes as under current law, except that under the bill no penalty assessment moneys are provided to fund county-tribal law enforcement projects. Under the bill, county-tribal law enforcement projects are funded using revenue that the state receives under Indian gaming compacts. The bill also allows penalty assessment moneys to be used for several new purposes, including information technology systems for DOC, automated justice information systems and reimbursement to counties for the costs of providing crime victim and witness services.

Resource recovery and recycling

This bill eliminates a requirement for DOA to maintain a clearinghouse of information regarding products made from recycled or recovered materials for purchase by state agencies and authorities. The bill also repeals an appropriation to DOA from the recycling fund to finance DOA's recycling procurement specifications functions and administration of the recycled materials clearinghouse.

State master lease program

Currently, DOA may enter into a master lease for the lease of goods or the provision of services on behalf of one or more state agencies. This procedure may be used in lieu of direct procurement of goods or services and in some cases is used to finance the acquisition of goods by the state.

This bill permits DOA to use a master lease to obtain any property (real or personal) or services on behalf of a state agency, except that DOA may not use a master lease to obtain facilities for use or occupancy by the state or to obtain internal improvements (public works). The bill also permits DOA to use a master lease to obtain any property or services related to public safety functions on behalf of a local government.

Currently, DOA may undertake energy conservation construction projects. These projects are different from other state building projects in that they are undertaken outside the authorized state building program and are not subject to public notice and bidding requirements. Under such a project, the contractor guarantees energy savings to be realized by the state in a stated amount within a specified period, and, if the savings are not realized by the state within that period, the contractor need not be paid by the state for any difference between the amount guaranteed in the contract and the actual savings realized when the state pays for the construction project. Currently, the contractor must finance construction of any project at its own expense.

Under this bill, the state or the contractor may finance the cost of construction. If the state finances the cost of construction and the savings resulting from the construction within the period specified in the audit are less than the amount specified in the contract, the contractor must remit the difference to the state. The bill provides that, if a master lease is used to finance payments to be made to a contractor who is engaged in such a construction project, the payments under the

lease may not be conditioned upon any payment required to be made by the contractor resulting from the contractor's guarantee.

Glass ceiling initiative

This bill creates a glass ceiling board, which is attached to DOA for administrative purposes, and directs the board to do all of the following:

1. Administer a Governor's Glass Ceiling Award Program to recognize annually Wisconsin businesses and organizations that advance or promote the advancement of women and minority group members to upper-level management positions.
2. Disseminate information to employers on glass ceiling issues and effective programs that have helped eliminate barriers to the promotion of women and minority group members to upper-level management positions.
3. Identify businesses and industries that provide exceptional opportunities for women and minority group members to advance to upper-level management positions, and, whenever appropriate, promote the expansion of such businesses and industries in this state.
4. Actively promote the appointment of qualified women and minority group members to public and private governing bodies.

Ethics and lobbying law counsel

This bill permits the governor, upon request of the ethics board, to employ special counsel for the purpose of assisting the board in investigating or prosecuting an alleged violation of the lobbying regulation law or the code of ethics for state public officials and employees. The special counsel is paid from a sum sufficient appropriation for the compensation of special counsel. Currently, neither the governor nor the ethics board is authorized to employ special counsel for this purpose.

Cultural arts authorities

This bill directs the legislative reference bureau (LRB) to prepare a bill draft creating cultural arts authorities, based on instructions provided by DOA. The secretary of administration must submit the bill to the cochairpersons of JCF no later than April 1, 1999.

Sales of tobacco to minors

This bill requires the LRB to prepare legislation, based on final drafting instructions submitted by DOA no later than March 1, 1999, authorizing the development of a statewide protocol for licensing authorities and law enforcement agencies in conducting compliance surveys to determine the prevalence of illegal retail sales of tobacco products to underage persons. The bill requires the secretary of administration to submit the proposed legislation to the cochairpersons of JCF not later than April 1, 1999.

Transitional housing grants

Under current law, DOA may award grants that do not exceed \$50,000 each to counties and municipalities, community action agencies and private, nonprofit organizations for the purpose of providing housing and associated support services to homeless families and individuals. This bill removes the dollar limit on the grants so that a grant of any size may be awarded.

Representation by department of justice

Currently, if requested to do so by the head of a state agency, the department of justice (DOJ) defends that agency or any state officer, employee or agent of that agency in a civil action brought against the agency or person for an act arising out of his or her official duties. In addition to receiving general program revenue, the attorney general is paid by state agencies for the legal services provided under contracts or understandings between DOJ and the other agencies.

This bill appropriates to DOJ any money that is received by DOJ as the result of a contract or understanding between DOJ and another state agency that is approved by JCF or as part of the biennial budget act. Any money collected by DOJ under a contract or understanding with a state agency that is not approved by JCF or as part of the biennial budget act is not directly appropriated to DOJ. In addition, the bill provides that a state agency may not be charged for legal services provided to that agency by DOJ if DOJ is not required by statute to provide legal services to that agency and if that agency does not have a contract or understanding with DOJ that is approved by JCF or as part of the biennial budget act.

State employee addresses and telephone numbers

Under current law, any person may inspect, copy or receive a copy of a public record unless the record is specifically exempted from access under state or federal law or authorized to be withheld from access under state law, or unless the custodian of the record demonstrates that the harm done to the public interest by providing access to the record outweighs the strong public interest in providing access.

This bill specifically authorizes the custodian of any record of a state governmental unit to withhold from access information contained in a record of the governmental unit pertaining to the home address or home telephone number of any employee of that governmental unit.

Expenditure authority of department of administration

Currently, general purpose revenue is appropriated to DOA in separate appropriations for general program operations and for the operation of the state prosecution system (compensation of district attorneys and their deputies and assistants). This bill consolidates those appropriations.

Currently, program revenue is appropriated to DOA in four separate appropriations for: 1) transportation services; 2) printing, mail distribution and record services; 3) financial services; and 4) other services, except building construction services, telecommunications and data processing services,

information technology services and projects and Wisconsin land council services. The revenue is derived from moneys received from other state agencies. This bill consolidates those four appropriations.

Under the consolidations, revenue collected for one purpose may be used by DOA for a different purpose within the same appropriation account, subject to the intent of the governor, JCF and legislature, as specified in various budgetary documents.

Funding source for department of administration positions

Currently, with limited exceptions, no state agency for which full-time equivalent positions have been authorized may change the funding source of any position that was provided by the legislature, JCF or the governor at the time the position was authorized or at the time the funding source was last changed.

This bill permits DOA, during the period beginning on the day on which this bill becomes law and ending on June 30, 2001, or on the day before publication of the 2001–03 biennial budget act, whichever is later, to change the funding source of any position authorized for DOA to carry out its functions with respect to supervision and management, the land information board, risk management, facilities management, housing assistance or gaming regulation if the position is currently funded from program revenue and the funding for the position would remain funded from program revenue that is collected by DOA to carry out one of these functions. The bill provides that any such change in the funding source of a position remains in effect after the period specified in the bill unless changed in accordance with current procedures.

Arrangements between governor and state agencies

This bill permits the governor to enter into cooperative arrangements with state agencies under which the agencies provide assistance to the governor in carrying out his or her responsibilities. The bill also permits the governor to expend any moneys received from the agencies to carry out these arrangements. Currently, the governor is not expressly authorized to enter into such arrangements.

Legislative technology bureau services

This bill permits the director of the legislative technology services bureau, by lease agreement, to purchase and install computer networking equipment to serve facilities of state agencies that are located in the same building in which a legislative branch office is located or in an adjacent building, and to provide related maintenance and support services to such agencies. Currently, the bureau is authorized and directed to provide and coordinate information technology support and services to the legislative branch of state government only.

Consolidation of state vehicle fleet management functions

This bill directs DOA to submit for consideration of JCF during the fourth quarter of 1999, an implementation plan for consolidating the vehicle fleet

management functions of the department of natural resources (DNR) with the corresponding functions of DOA. The bill also directs DOA to submit for consideration of JCF during the third quarter of 2000 an implementation plan for consolidating the vehicle fleet management functions of the department of transportation (DOT) and the UW-Madison with the corresponding functions of DOA. The bill permits JCF to approve or to modify and approve the plans. If JCF approves a plan, with or without modifications, DOA may implement that plan. If JCF does not approve any plan, DOA may not implement that plan.

TAXATION

INCOME TAXATION

This bill makes various changes in the structure of the individual income tax system. The bill modifies the calculation of adjusted gross income (AGI), prohibits new claims from being made under certain income tax credits, creates a personal exemption, modifies the itemized deductions credit and modifies the sliding scale standard deduction and the tax rates and brackets.

Under current law, the standard income tax deduction has four different categories, each of which has a different deduction amount based on income. The maximum standard deduction amounts in each category phase out as income increases. This bill retains the same four categories and increases the maximum income at which the standard deduction reaches \$0.

Under current law, the dollar amounts of the standard deduction and the dollar amounts of Wisconsin AGI are indexed for inflation for taxable years that begin after December 31, 1998. This bill suspends indexing for taxable year 2000.

Under current law, there are three income tax brackets for single individuals, certain fiduciaries, heads of households and married persons. This bill expands the number of brackets to four and lowers the rate of taxation in all four brackets in taxable year 2000. The bill also lowers the rate of taxation for taxable year 2001 and all taxable years thereafter for the first three brackets. The brackets remain the same for taxable year 2001 and are indexed for inflation in taxable years thereafter.

Under current law, the individual income tax brackets are indexed for inflation for taxable years beginning after December 31, 1998. This bill suspends indexing until taxable years beginning after December 31, 2001.

Under current law, after an individual calculates his or her gross tax liability, several tax credits may be calculated to reduce his or her gross tax liability. Some credits, like the earned income tax credit and the homestead tax credit, are refundable. Some credits, like the school property tax credit, the working families tax credit and the married persons credit, are nonrefundable. Generally, with a refundable credit, if the amount of the claim exceeds the taxpayer's tax liability, or if there is no tax due, the excess amount of the credit is paid to the claimant by a check from the state. With a nonrefundable credit, the amount of the credit is available only up to the amount of the taxpayer's tax liability.

Under this bill, for taxable years beginning after December 31, 1999, no new claims may be filed for the following nonrefundable tax credits: the school property tax credit, the working families tax credit, the dependent credit and the senior credit.

In addition, the bill increases the married persons tax credit from a maximum credit of \$385 to \$440 in taxable year 2000 and from a maximum of \$420 to \$480 in taxable years beginning after December 31, 2000.

Under current law, the department of revenue (DOR) may not adjust the withholding tables to reflect the changes made to the tax rates or the changes in dollar amounts with respect to bracket indexing or with respect to standard deduction indexing for taxable years that begin before January 1, 2000. Under this bill, DOR must adjust the withholding tables to reflect the changes made to the tax rates and changes in dollar amounts with respect to bracket indexing that are made in this bill on July 1, 2000.

Under current law, for homestead tax claims filed in 1991 and thereafter, the threshold income is \$8,000, the maximum property taxes that a claimant may use in calculating his or her credit are \$1,450 and the maximum eligible income is \$19,154. Under this bill, for claims filed in 2000 and thereafter, the maximum eligible income is raised to \$20,290. The threshold income and maximum property taxes remain the same as under current law.

The bill also modifies the nonrefundable itemized deductions credit. Under current law, the itemized deductions credit is calculated as 5% of the difference between the sum of certain amounts that are allowed as itemized deductions under the Internal Revenue Code (IRC) and the standard deduction. Under this bill, miscellaneous itemized deductions that are allowed as itemized deductions under the IRC are not allowed under the itemized deductions credit.

The bill creates a personal exemption for a taxpayer, the taxpayer's spouse and the taxpayer's dependents. The personal exemption is \$600 for each of these persons in taxable year 2000 and \$700 for each of these persons for taxable years that begin after December 31, 2000. An additional personal exemption exists for taxpayers who are at least 65 years old. This additional exemption is \$200 for taxable year 2000 and \$250 for taxable years that begin after December 31, 2000. The bill also eliminates the state's treatment of social security benefits, thus taxing the benefits at the rate used by the federal government, which is a higher rate.

Under current law, when computing corporate income taxes and franchise taxes, a formula is used to attribute a portion of a corporation's income to this state. The formula has three factors: a sales factor, a property factor and a payroll factor. The sales factor represents 50% of the formula and the property and payroll factors each represent 25% of the formula. When computing income taxes and franchise taxes for an insurance company, a formula with a premiums factor and a payroll factor is used to attribute a portion of an insurance company's income to this state.

Under this bill, beginning on January 1, 2000, the sales factor will be the only factor used to attribute a portion of a corporation's income to this state and the premiums factor will be the only factor used to attribute a portion of an insurance company's income to this state.

The bill also broadens the definition of sales as it relates to the sales factor used to apportion income for tax purposes. Receipts from the lease or rental of motor vehicles, rolling stock, aircraft and vessels used in this state are included in the sales

factor. The sales factor also includes the royalties for the use of intangible property, the sales of intangible property and receipts from the performance of services.

Under current law, each separate corporation doing business in this state must file a tax return with DOR reporting its net income. Even separate corporations that are part of a unitary business, which is, generally, an affiliated group of corporations that operate as a unit and which is characterized by centralized management and decision making, are not required to file a combined tax return. Instead, a corporation doing business in this state that is part of a unitary business files a separate return.

This bill requires that an affiliated group of corporations that is part of a unitary business file a combined tax return with DOR. The bill creates a presumption that all corporations that are part of an affiliated group are unitary and must file a combined return.

Under current law, an eligible claimant may recover a certain amount of property taxes paid through the refundable farmland preservation credit. One of the eligibility requirements for the farmland preservation credit is that the farmland to which the credit relates must be subject either to a farmland preservation agreement or to a county exclusive agricultural use zoning ordinance that requires the claimant to abide by certain soil and water conservation standards.

Currently, the credit is computed under a formula that is based on property taxes accrued on the claimant's farmland in the preceding calendar year, the claimant's household income and the agreement or zoning provisions that cover the farmland. This bill retains most of the current law's formula but, for taxable years beginning after December 31, 2000, the formula does not include any factor for a farmland preservation agreement or exclusive agricultural use zoning. *See AGRICULTURE.* For new claims that are filed for taxable years beginning after December 31, 2000, the maximum credit for which a claimant is eligible is reduced from current law levels and no new claims may be filed for a taxable year that begins after December 31, 2002.

The bill also creates a new, refundable farmland preservation acreage credit. This credit may be claimed by any person who is an eligible claimant under the farmland preservation credit. Under the acreage credit, a claimant who sells, donates or otherwise transfers the development rights to the claimant's farmland to a nonprofit entity, the state or a city, village, town or county may claim the credit. The bill defines development rights as a holder's nonpossessory interest in farmland that imposes a limitation or affirmative obligation, the purpose of which is to retain or protect natural, scenic or open space values of farmland, assuring the availability of farmland for agricultural, forest, wildlife habitat or open space use, protecting natural resources or maintaining or enhancing air or water quality.

A nonprofit entity may develop the farmland with the written consent of the owner of the property and of the department of agriculture, trade and consumer protection, but only in a way that retains or protects natural, scenic or open space values of the farmland. If a claimant sells, donates or otherwise transfers

development rights to a political subdivision, the political subdivision may develop the farmland only in a way that is consistent with certain comprehensive planning requirements.

The acreage credit may only be claimed by the claimant who owns the farmland when the development rights are initially transferred. No new claims may be filed under the acreage credit for taxable years that begin after December 31, 2002.

Current law provides a tuition expenses subtraction, or deduction, from federal adjusted gross income of up to \$3,000 per year per student for tuition to attend a university, college, technical college or other approved school that is located in this state or that is subject to the Minnesota–Wisconsin reciprocity agreement. The subtraction is phased out at certain income levels. Also under current law, nonresidents and part-year residents of this state may claim a prorated amount of the subtraction. This bill clarifies that the proration applicable to nonresidents and part-year residents of this state applies at all times and not just when the taxpayer is subject to the phaseout provisions and also changes current law such that the limitation of the credit to a claimant's total wages, income and net earnings from a trade or business taxable by this state applies to all taxpayers.

Under federal law, the amounts claimed under the state tuition expenses subtraction may also be claimed as a federal itemized deduction if the expenses are job-related. Under this bill, amounts claimed as a deduction under the tuition expenses subtraction may not be used in calculating the itemized deductions credit.

Under current law, an individual income tax refund that is payable on the basis of a joint return must be issued jointly to the persons who filed the return. Under this bill, if DOR is sent a copy of a formerly married couple's divorce judgment and that judgment apportions any tax refund that may be due the former couple, DOR is required to send the refund check to the person to whom the tax refund is apportioned, or one check to each of the former spouses, according to the apportionment that is specified under the terms of the judgment.

Currently, Wisconsin statutes provide that alimony and supplemental unemployment compensation that are paid while an individual is not a resident of this state may not be claimed as deductions for Wisconsin income tax purposes. The U.S. Supreme Court has ruled that a similar New York law violates the privileges and immunities clause of the U.S. Constitution. This bill modifies the statutes to conform to the U.S. Supreme Court's decision in the New York case.

Currently, the department of commerce administers three types of development zone programs. Generally, after the department designates an area as one of the three types of development zones, a person or corporation that conducts or that intends to conduct economic activity in the designated zone is or may be certified by the department as eligible for certain tax credits.

The calculation of one of these credits is based in part on a claimant's hiring members of a targeted group, as defined in the IRC, who are certified under a 90-day

requirement by the department and who are also subject to certification rules under the IRC. This bill eliminates the requirement that certification must occur within a 90-day period.

Under current law, the state imposes an income or franchise tax on a foreign corporation doing business in this state. However, a foreign corporation may engage in certain business-related activities in this state without becoming subject to the state income or franchise tax.

This bill allows a foreign corporation to store its tangible personal property in this state and transfer possession of its tangible personal property to a person in this state, without becoming subject to the state income or franchise tax, if the other person uses the personal property for fabricating, processing, manufacturing or printing.

PROPERTY TAXATION

Under current law, DOR assesses the value of taxable property in a county or taxation district. A county or taxation district may appeal DOR's assessment of the property in the county or taxation district by filing an appeal with the tax appeals commission. If the tax appeals commission determines on appeal that DOR incorrectly assessed the taxable property in a county or taxation district, the tax appeals commission may redetermine the assessment. Under current law, the tax appeals commission is authorized to hear appeals of tax matters, at times and places designated by the commission, and tax matters that are small claims cases ~~where~~ the amount in controversy is less than \$2,500. The tax appeals commission may impose a \$1,000 penalty on a taxpayer who pursues a frivolous appeal.

Under this bill, a county or taxation district may appeal DOR's assessment of the property of the county or taxation district by filing an appeal with DOR. DOR hears the appeal and, if DOR determines that the appealed assessment is incorrect, DOR redetermines the assessment. DOR's decision on appeal may be appealed to the tax appeals commission.

The bill authorizes the tax appeals commission to submit a case to summary proceedings (an alternative dispute resolution proceeding) if the amount in controversy is less than \$100,000. The bill also increases the penalty for pursuing a frivolous appeal to \$5,000 and provides that the commission may hold hearings only in the following places: Appleton, Eau Claire, LaCrosse, Madison, Milwaukee and Wausau.

Under current law, if a person does not pay the tax that is due on a parcel of real property before September 1, the county treasurer must issue a tax certificate to the county that relates to that property. The issuance of a tax certificate begins the redemption period during which the taxpayer may retain his or her property by paying the delinquent taxes. If the property is not redeemed during the redemption period, which is usually two years, the county may acquire the property by taking a tax deed or by other methods.

Under this bill, if a county does not, within two years after the expiration of the redemption period, take a tax deed for property that is subject to a tax certificate and that is contaminated by a hazardous substance, the county must, upon receiving a written request from the city, village or town within whose jurisdiction the property is located, acquire the property by taking a tax deed. The county may then either retain ownership of the property or transfer ownership of the property, without consideration, to the municipality.

Under current law, a taxation district transfers its tax roll to the county or counties in which the taxation district is located. The county accepts all delinquent property taxes from the taxation district and credits the taxation district for delinquent taxes in the next tax levy. The county attempts to collect the delinquent property taxes by issuing a tax certificate. After the county issues a tax certificate, an owner of real property has two years to redeem the certificate by paying the delinquent taxes. If the taxes remain unpaid after two years, the county may record a tax deed on the property. However, a county may cancel the delinquent taxes if the property is contaminated by a hazardous substance and the property owner agrees to clean up, maintain and monitor the property. The taxation district that transferred the relevant tax roll receives a credit on its tax levy from the county even though the county has canceled the tax.

This bill requires a county that cancels delinquent taxes to charge back to the appropriate taxation district any or all of the amount of the canceled taxes and to include that amount in the county's next tax levy against the taxation district.

OTHER TAXATION

Under current law, computers are exempt from the general property tax paid by businesses. Also under current law, computers owned by telephone companies, which are ad valorem taxpayers, are exempt from the ad valorem tax. An ad valorem tax is a tax imposed on property or on an article of commerce in proportion to its value.

This bill exempts from ad valorem taxation computers owned by other ad valorem taxpayers, such as railroads, airlines, pipeline companies, conservation and regulation companies and municipal electric association projects.

The bill also creates a personal property tax exemption for fax machines, copiers, cash registers and automated teller machines.

Under current law, the sale of time-share property is subject to the real estate transfer fee. This bill exempts from real estate transfer fees conveyances of those time-share properties that give the owner the right to use or occupy the real property during at least four separate periods over at least four years. Under current law, some, but not all, conveyances that are exempt from the real estate transfer fee are also exempt from the requirement of filing a real estate transfer return. This bill exempts from the requirement of filing a real estate transfer return these conveyances of time-share property.

The furnishing of rooms or lodging through the sale of time-share properties that are exempted from the real estate transfer fee by this bill is currently subject to the sales tax only if the use of the rooms or lodging is not fixed at the time of sale as to the starting date or the lodging unit and is for less than one month. This bill subjects to the sales tax all sales of time-share properties that are for less than one month, whether or not they are exempted from the real estate transfer fee by this bill, and whether or not the use of the rooms or lodging is fixed at the time of the sale.

The bill also subjects to the sales tax those charges associated with time-share property that at the time of the charges would be subject to the sales tax.

Under current law, a county may adopt an ordinance to impose sales and use taxes upon county retailers. DOR collects the sales and use taxes imposed by counties. The state retains 1.5% of the sales and use taxes collected to cover the costs incurred by the state to administer, enforce and collect the taxes. DOR distributes the remaining taxes collected to the respective counties. This bill increases from 1.5% to 1.75% the amount of taxes collected that are retained by the state.

This bill changes the tobacco products tax from an occupational tax to an excise tax. The change allows the state to tax certain sales of tobacco products sold on reservations by American Indians to persons who are not American Indians.

This bill permits DOR to enter into agreements with American Indian tribes to provide for the refunding of the tobacco products tax imposed on tobacco products sold on reservations to enrolled members of the tribe residing on the tribal reservation. In addition, DOR is required to refund 50% of the taxes collected with respect to sales on reservations or trust lands of an American Indian tribe to the tribal council of the tribe having jurisdiction over the reservation or trust land on which the sale is made. These two provisions parallel existing authority of DOR in regard to cigarette taxes.

The bill also reduces from 70% to 50% the percentage of cigarette tax revenue collected in sales on reservations or trust lands that must be refunded to American Indian tribes.

Under current law, any taxpayer may petition DOR to compromise delinquent income or franchise taxes, including any applicable costs, penalties and interest. Under this bill, DOR is authorized to compromise any taxes, interest, penalties and costs that are due this state and that have not yet been recorded as delinquent.

This bill changes the rate of the gross earnings tax that is levied on a car line company and the amount that a railroad company must withhold from rental payments made to a car line company. A car line company is any person, other than a railroad, engaged in the business of leasing or furnishing car line equipment to a railroad and car line equipment is any railroad car or other equipment used in railroad transportation under a rental agreement.

Under current law, delinquent sales and use tax returns are subject to a \$10 late filing fee unless the return was not timely filed because of the death of the person required to file or because of reasonable cause, but not because of neglect. This bill changes the late filing fee to \$30 for returns that are filed for periods beginning after September 30, 1999.

This bill removes the requirement that the recertification application for assessors and assessment personnel be notarized and that it be submitted at least 60 days before the expiration date of the current certificate. Under the bill, DOR may, for good cause, accept an application for renewal up to one year after the expiration of the current certificate if the applicant has complied with the current continuing education and other recertification requirements.

TRANSPORTATION

HIGHWAYS

Current law requires that any major highway project, unlike other construction projects undertaken by the department of transportation (DOT), receive the approval of the transportation projects commission (TPC) and the legislature before the project may be constructed. A major highway project is a project having a total cost of more than \$5,000,000 and involving construction of a new highway 2.5 miles or more in length; reconstruction or reconditioning of an existing highway that relocates at least 2.5 miles of the highway or adds one or more lanes five miles or more in length to the highway; or improvement of an existing multilane divided highway to freeway standards. There are currently 75 enumerated major highway projects approved for construction. This bill adds one major highway project to the list of 75 enumerated projects already approved for construction.

Under current law, the building commission may issue revenue bonds in a principal amount of \$1,348,058,900, of which \$1,255,499,900 may be used for major highway projects and other transportation facilities and \$92,559,000 may be used for fees and other expenses related to the revenue obligations.

This bill increases the level of revenue bonding for major highway projects and transportation administrative facilities by 14.3% to \$1,435,165,900. The bill also authorizes the building commission to contract revenue obligations in any amount to pay fees and other expenses related to the revenue obligations.

This bill authorizes DOT to designate highways that have outstanding intrinsic value as scenic byways. The bill allows DOT to apply for federal designation of a scenic byway as a national scenic byway. Federal designation would make the scenic byway eligible for federal aid for scenic byways.

Under current law, outdoor advertising signs that are located along interstates and certain other highways and that advertise activities conducted on the property on which the signs are located (on-property signs) are subject to restrictions as to size, number and location. This bill prohibits the erection of on-property signs at locations that constitute traffic hazards and eliminates specific restrictions that

apply solely to on-property signs located outside the incorporated area of a city or village. The bill specifies that on-property signs do not require permits issued by DOT.

DRIVERS AND MOTOR VEHICLES

Current law authorizes circuit courts and municipal courts to suspend or revoke a person's motor vehicle operating privilege for a variety of reasons, including failure to pay an amount ordered by the court for ordinance violations unrelated to operating a motor vehicle, such as failing to properly keep sidewalks clear of snow and ice. Suspensions and revocations for failure to pay generally continue until the person pays the amount owed. The suspension and revocation orders are forwarded to DOT, which updates the person's driving record to reflect the suspension or revocation.

This bill requires DOT to ^{develop a process, by rule, to} charge courts a processing fee for each court order that suspends or revokes a person's operating privilege for failure to pay a forfeiture that was imposed for violating an ordinance unrelated to the violator's operation of a motor vehicle. The bill also allows courts to charge the violator a fee in an amount not more than the fee DOT charges the court for processing the order.

Current law requires DOT to redesign motor vehicle registration plates that are issued to certain specified vehicles, primarily automobiles and light-duty trucks, or that identify the registrant as a member of an authorized special group (such as U.S. military or veteran, physically disabled, University of Wisconsin campus or natural resources). DOT must begin issuing the newly designed plates beginning with registrations effective July 1, 2000, and must issue newly designed plates for every specified vehicle registered in this state by July 1, 2003. Vehicle registrants must pay \$10 or \$15, depending on the type of plate, for the newly designed plates.

This bill allows DOT until July 1, 2005, to complete the issuance of the newly designed plates. The bill also requires DOT to redesign these registration plates every six years, and to issue plates of the new design to replace plates that are six or more years old.

Under current law, if a person arrested for operating a motor vehicle while under the influence of an intoxicant (OWI) refuses to take a test to determine the amount of alcohol in his or her blood or breath, the law enforcement officer who requested the test takes possession of the person's license, prepares a notice of intent to revoke the person's operating privilege and gives a copy of the notice to the person, to the circuit court and to the district attorney. The notice informs the person of a number of items, including the right to request a court hearing to contest the revocation. The Wisconsin court of appeals, in *State v. Schoepp*, 204 Wis. 2d 266 (1996), held that a person who receives a notice of intent to revoke the person's operating privilege may utilize the full range of discovery procedures under state law, including the use of depositions and interrogatories.

This bill prohibits either party's use of discovery in these cases, except that if a hearing is requested, the person who refused to take the test has the right to receive

a copy of any written or voice recorded statement of a witness before that witness testifies.

Currently, 31.29% of all moneys received by the state as driver improvement surcharges from persons convicted of OWI is used to pay for chemical testing and services provided by the state traffic patrol. The secretary of administration transfers the remaining driver improvement surcharge moneys to programs or purposes related to OWI, such as for the purchase of breath screening devices. Under this bill, the separate 31.29% payment is eliminated and the chemical testing and services program is eligible for a funding transfer approved by the secretary of administration as are the other OWI-related programs.

Under current law, DOT may contract with third-party testers to conduct on-the-road tests for commercial motor vehicle drivers, abbreviated on-the-road tests for school bus drivers and special examinations for school bus drivers. This bill permits DOT to contract with third-party testers to conduct on-the-road tests for noncommercial motor vehicle drivers, except on-the-road tests for authorization to operate certain motorcycles.

This bill raises the fee for a driving skills test in a school bus or in a noncommercial motor vehicle from \$10 to \$15.

Current law requires DOT to issue a distinctive license document to any person who is under the legal drinking age when the license is issued. Under this bill, beginning on January 1, 2000, DOT must also issue a distinctive license document to any person who is under 18 years of age when the license is issued.

Under current law, no person may operate a school bus unless the person possesses an endorsement to operate school buses. A school bus endorsement is valid for the eight-year duration of the person's operator's license. This bill requires each school bus operator to pass an examination of his or her ability to safely operate a school bus at least once every 4 years.

1997 Wisconsin Act 84 made extensive changes to this state's laws regarding operating a motor vehicle with an operating privilege that is revoked or suspended (OAR or OWS). Most of those changes are scheduled to take effect on May 1, 2000, or sooner if DOT's computer system can accommodate the necessary changes.

This bill delays the effective date of 1997 Wisconsin Act 84 until May 1, 2001, or until DOT's computer system can accommodate the necessary changes, whichever occurs earlier. The bill specifies that DOT is not required to implement all of that act's changes simultaneously, but may establish different effective dates for those changes. The bill makes an OAR or OWS committed in another jurisdiction a minor traffic offense for purposes of determining whether the offending driver is a habitual

traffic offender. Under the bill, all OAR and OWS will be treated as minor traffic offenses, without regard to where the offense was committed.

Currently, DOT is required to revoke the operating privilege of a person determined to be a habitual traffic offender. The revocation commences on the day on which DOT mails the person notice of the revocation or, if the person is already suspended or revoked, on the day on which the person is convicted and first considered a habitual traffic offender, or on the date on which the person surrendered his or her operator's license to begin the current revocation or suspension period. This bill makes all revocations by DOT for habitual traffic offenders begin on the date DOT mails notice of the revocation.

Under current law, a highway authority may impose special weight limitations on highways that would likely be seriously damaged or destroyed if such limitations were not imposed. The weight limits are effective only if weight limit notice signs are properly posted. This bill requires the posting of advance weight limit notice signs, in addition to the weight limit notice signs, to allow motorists to avoid the weight-limited highway altogether.

Current law prohibits any person from driving upon a highway any motor vehicle that exceeds the maximum permissible gross vehicle weight or the maximum permissible weight per axle. Current law allows additional weight, beyond the weight limits ordinarily applicable, for certain trucks transporting exclusively milk from the point of production to the primary market and returning with dairy supplies and dairy products from such primary market to the farm. Only milk trucks having axle measurements of nine feet, one inch or greater qualify for the additional 2,000 pound axle weight. This bill extends the 2,000 pound weight limit to milk trucks having an actual axle distance of eight feet, six inches or more.

Under current law, DOT utilizes a telephone call-in procedure through which applicants may obtain certain single trip permits to operate vehicles that exceed the statutory size or weight limits. This bill requires DOT to implement a telephone call-in procedure through which applicants may obtain single trip, annual, consecutive month and multiple trip permits to operate vehicles that exceed the statutory size or weight limits, together with the designated route of travel. The bill also raises fees for certain single trip, annual, consecutive month and multiple trip permits issued by DOT by 10% beginning on January 1, 2000, and ending on June 30, 2003, after which time the fees revert to their current amounts.

This bill increases the fee for late payment of fees for registering a motor truck through DOT's automated telephone registration system from \$5 to \$10.

This bill eliminates the \$5 fee charged to financial institutions for processing electronic applications for motor vehicle title and registration.

Under current law, a claimant must serve legal process upon the secretary of transportation to commence a legal action against a nonresident driver for damages arising from a motor vehicle accident in this state. The secretary of transportation collects a \$15 fee from the claimant for each defendant in the action and forwards the legal process to the nonresident driver. This bill increases this service-of-process fee to \$25.

TRANSPORTATION AIDS

Under current law, DOT provides state aid payments to local public bodies in urban areas served by mass transit systems to assist the local public bodies with the expenses of operating those systems. DOT makes state aid payments in amounts sufficient to ensure that the combination of state and federal aids contributed toward the operating expenses of an urban mass transit system equals the uniform percentage established by DOT for the class of mass transit system. The percentage varies for each of the three classes of mass transit systems but is uniform for all mass transit systems within a class. The three classes are: 1) mass transit systems serving urban areas having a population of less than 50,000; 2) mass transit systems serving urban areas having a population of more than 50,000 but having annual operating expenses of less than \$20,000,000; and 3) mass transit systems having annual operating expenses of more than \$20,000,000.

This bill modifies the classes of mass transit systems and revises the amount of state aids payable to local public bodies served by those systems. The bill creates two classes of mass transit systems: 1) those having operating expenses of more than \$20,000,000 (Tier A); and 2) those having operating expenses of \$20,000,000 or less (Tier B). Under the bill, the sum of state and federal aid provided to a local public body served by a Tier A mass transit system may not exceed 50% of the mass transit system's projected operating expenses. The sum of state and federal aid provided to a local public body served by a Tier B mass transit system may not exceed 65% of the mass transit system's projected operating expenses, except that the sum of aids provided to local public bodies served by certain Tier B mass transit systems may not exceed 60% for calendar years 2000 and 2001.

Current law requires a local public body that receives state aid under the urban mass transit operating assistance program to pay a local contribution towards the mass transit system's operating expenses in an amount equal to at least 20% of the amount of state aid received under the program. This local contribution does not apply to local public bodies served exclusively by a shared-ride taxicab system. This bill requires all recipients to pay at least 10% of the operating expenses, regardless of the amount of state aid received under the program, except that recipients served exclusively by a shared-ride taxicab system must pay at least 5% of the system's operating expenses.

Under current law, DOT makes general transportation aids payments to a county based on a share-of-costs formula, and to a municipality (city, village or town) based on the greater of a share-of-costs formula for municipalities or an aid rate per mile (\$1,596 for 1998 and thereafter).

Beginning with general transportation aids payable for the year 2000, this bill increases the aid rate to \$1,644 per mile and increases the maximum amount of aid that may be paid under the program from the current limit of \$78,744,300 to \$81,106,600 for counties, and from the current limit of \$247,739,100 to \$254,784,900 for municipalities. The bill also allows a portion of law enforcement costs to be considered in the share-of-costs formula, instead of as highway-related traffic police costs. The bill allows DOT to establish different portions for different classes of counties or municipalities.

This bill provides that aid amounts payable to any single municipality or county under the general transportation aids program may not be reduced by more than 2% annually.

This bill requires each municipality to assess biennially the condition of roads under its jurisdiction and to report the results to DOT.

This bill provides that the amount of aid that DOT may award under the elderly and disabled transportation capital assistance program, which provides aid for specialized vehicles and facilities used to provide transportation services to elderly and disabled persons, may not exceed the percentage of estimated costs specified by DOT or the percentage of costs that are eligible for federal aid, whichever is less.

Under current law, DOT may contract up to \$19,000,000 in public debt for the acquisition and improvement of rail property. This bill increases this authorized general obligation bonding limit from \$19,000,000 to \$23,500,000.

RAIL AND AID TRANSPORTATION

Under current law, DOT, local governmental bodies, local residents and railroad companies may petition the office of the commissioner of railroads (OCR) for a determination of whether a railroad crossing over a public highway protects and promotes public safety. OCR may order the railroad to install automatic warning signals or other suitable safety device at the railroad crossing.

This bill creates a railroad grade crossings committee to review every railroad grade crossing in this state to recommend crossings for improvements. The bill generally prohibits DOT from paying for improvements to railroad grade crossings ordered by OCR unless the committee first recommended improvements to the crossing.

Currently, under the freight railroad assistance program, DOT makes loans to cities, villages, towns and counties for acquiring freight railroad facilities, rehabilitating or constructing rail property improvements or improving freight railroad infrastructure. The loans are made at the legal rate of interest of 5%, unless DOT and the borrower agree to a different rate. This bill requires DOT to specify by rule a rate of interest applicable to such loans.

OTHER TRANSPORTATION

This bill increases the authorized general obligation bonding limit for grants awarded by DOT for harbor improvements from \$15,000,000 to \$18,000,000.

Under current law, participants under the Wisconsin retirement system (WRS) whose principal duties involve law enforcement, require frequent exposure to a high degree of peril and require a high degree of physical conditioning are classified as protective occupation participants. Current law specifically classifies members of the state patrol as protective occupation participants. Under WRS, the normal retirement age of a protective occupation participant is lower, and the percentage multiplier used to calculate retirement annuities is higher, than for other participants.

This bill specifically classifies the administrator of the division of state patrol as a protective occupation participant for the purposes of WRS, if the division administrator is certified as qualified to be employed as a law enforcement officer in this state. The bill also makes the administrator a member of the state traffic patrol (having the same powers and duties of other members) if the administrator is certified as a law enforcement officer in this state. As a member of the state traffic patrol, the administrator is entitled to receive full pay and other benefits during any period in which the administrator is unable to work because of an injury sustained while performing certain duties that entail a considerable risk of injury or danger.

Under current law, the state traffic patrol consists of not more than 385 traffic officers in the classified service. This bill increases the authorized number of state patrol officers from 385 to 400.

Under current law, the operator of an authorized emergency vehicle (such as a police and fire vehicle or an ambulance) is exempt from certain traffic regulations when responding to an emergency call or when in pursuit of a suspected violator of the law. This exemption applies only when the operator is driving with due regard under the circumstances for the safety of all persons and, in most circumstances, is giving visible and audible signals.

This bill makes snowmobiles operated on state lands by DNR's law enforcement employes and all-terrain vehicles and snowmobiles operated by conservation wardens, on or off state lands, authorized emergency vehicles.

This bill requires DOT to award a grant of \$1,000,000 to the city of Superior for the construction of the Major Richard I. Bong Air Museum.

VETERANS AND MILITARY AFFAIRS

Under current law, in response to a war, insurrection, rebellion, riot or invasion, in the event of a public disaster resulting from a flood, conflagration or tornado, or upon application of certain public officials, the governor may order into active service all or any portion of the national guard. This bill allows the governor to order all or

any portion of the national guard into active service when the governor considers that activation necessary for the protection of persons or property.

Under current law, to be eligible for veterans benefits, a veteran must meet certain criteria, including residency in this state and service on active duty under honorable conditions in the U.S. armed forces. The veteran may be eligible for benefits if he or she meets certain types of service requirements, such as service in a war period or in specified conflicts or receipt of a specified service medal, or if he or she served on active duty for two consecutive years or the full period of his or her initial service obligation.

Under this bill, a veteran may also be eligible for benefits if he or she was a resident of this state for any consecutive five-year period after entry, reentry, enlistment or induction into service in the U.S. armed forces and before the date of his or her application for benefits or, if applicable, before the date of his or her death.

Currently, the department of veterans affairs (DVA) administers a mortgage loan program for veterans. Under the program, eligible veterans may obtain a mortgage loan for the purchase of a house or mobile home, construction of a home, home improvements, including construction of a garage, and certain refinancing related to a home purchase or construction. Under current law, the maximum loan amount for home improvements, including construction of a garage, is \$15,000. This bill changes that maximum loan amount to \$25,000.

Currently, DVA reimburses eligible nondisabled veterans for 50% of the tuition and fees incurred by the veteran while attending a postsecondary school as an undergraduate. This bill raises the reimbursement rate to 65% of the tuition and fees incurred by a nondisabled veteran.

Under current law, reimbursement is available under this program only for classes in an institution in the University of Wisconsin (UW) System or at a technical college or for classes attended by a veteran receiving a waiver of nonresident tuition under the Minnesota–Wisconsin student reciprocity agreement. Reimbursement is limited to tuition and fees paid for 120 part–time or full–time credits at an institution in the UW System, or for 60 part–time or full–time credits at a technical college, or an equivalent amount of credits at the institution at which the veteran is receiving a waiver of nonresident tuition. This bill allows the veteran to attend any institution of higher education, including technical colleges, but requires the veteran to enroll for at least 12 credits during the semester for which reimbursement is requested.

Under current law, an eligible veteran who is a resident of this state and who completes a correspondence course or a course as a part–time student from an institution of higher education may apply for reimbursement from DVA for a portion of the costs of the course if the course is related to the veteran’s occupational, professional or employment objectives. Under current law, the maximum

reimbursement that may be paid is 50% of the tuition and fees paid for the course. This bill increases the maximum reimbursement percentage from 50% to 65%.

Currently, DVA may borrow money from the veterans mortgage loan repayment fund and enter into transactions with the state investment board to obtain money to make loans to veterans under the veterans personal loan program. If DVA borrows money from the veterans mortgage loan repayment fund, DVA must pledge the loans made under the veterans personal loan program as collateral for that borrowed money.

Under this bill, DVA may borrow money from the veterans mortgage loan repayment fund to obtain money for the veterans personal loan program, but is not required to pledge the loans made under the personal loan program as collateral for the borrowed money. The bill provides that transactions with the state investment board may include the sale of veterans' loans.

This bill uses moneys received under the Indian gaming compacts to fund an American Indian services coordinator as a project position in DVA. The bill also uses moneys received under the Indian gaming compacts to award grants to the governing bodies of federally recognized American Indian tribes and bands for the creation of a model program that helps American Indians overcome barriers to the receipt of federal and state veterans benefits.

Under current law, the state may contract public debt for the purpose of making loans to veterans for the purchase or construction of housing, for home improvements and for refinancing any existing mortgage for the purchase or construction of a home or for home improvements. Currently, the state is authorized to contract public debt in an amount not to exceed \$1,807,500,000. This bill increases this amount to \$1,918,000,000.

Under current law, DVA operates the Wisconsin Veterans Museum in Madison. The museum contains the battle flags of Wisconsin armed forces units that served in the nation's wars and other relics and mementos of those wars. This bill provides that the mission of the Wisconsin Veterans Museum is to acknowledge, commemorate and affirm the role of Wisconsin veterans in the United States of America's military past by means of instructive exhibits and other educational programs.

Under current law, only a county with a population of 100,000 or more, a bank or trust company and the commandant of the Wisconsin Veterans Home at King may be a guardian of five or more unrelated wards at one time. The commandant may act as a guardian only of members of the Wisconsin Veterans Home at King and is not allowed to charge a fee for that service. This bill eliminates the commandant of the Wisconsin Veterans Home at King from among those who may act as guardian of five or more unrelated wards at one time.

Currently, the national guard, in the department of military affairs, operates the Badger Challenge program, which provides programs for high school aged disadvantaged youth to help them remain in and complete high school. This bill allows only youths who are members of families eligible to receive aid from the federal temporary assistance for needy families program to attend the Badger Challenge program. The bill removes state general purpose funding from the program and allows federal temporary assistance for needy families block grant moneys received by the department of workforce development to be used to fund the operation of the Badger Challenge program.

This bill will be referred to the joint survey committee on tax exemptions for a detailed analysis, which will be printed as an appendix to this bill.

This bill will be referred to the joint survey committee on retirement systems for a detailed analysis, which will be printed as an appendix to this bill.

Because this bill concerns a conveyance of a lake bed area, the department of natural resources, as required by law, will prepare a detailed report to be printed as an appendix to this bill.

The people of the state of Wisconsin, represented in senate and assembly, do enact as follows:

1 **SECTION 1.** 13.123 (3) (a) of the statutes is amended to read:

2 13.123 (3) (a) Any senator authorized by the committee on senate organization
3 to attend a meeting outside the state capital, any representative to the assembly
4 authorized by the committee on assembly organization to attend an out-of-state
5 meeting or authorized by the speaker to attend a meeting within this state outside
6 the state capital, and all members of the legislature required by law, legislative rule,
7 resolution or joint resolution to attend such meetings, shall be paid no additional
8 compensation for such services but shall be reimbursed for actual and necessary
9 expenses from the appropriation under s. 20.765 (1) (a) or (b), but no legislator may
10 be reimbursed under this subsection for expenses on any day for which the legislator
11 submits a claim under sub. (1). ~~Any expenses incurred by a legislator under s. 14.82~~
12 ~~shall be reimbursed from the appropriation under s. 20.315 (1) (q).~~

13 **SECTION 2.** 13.45 (3) (a) of the statutes is amended to read: